International Panel on Social Progress: chapter on "The Future of Work – Good Jobs for All"

Accepted version for Review of Social Economy

Adrian Smith
School of Geography
Queen Mary University of London
London, E1 4NS
United Kingdom

There seem to be so many challenges to the experiences of employment and work in today's global economy that this chapter provides a very timely and appropriately wide-ranging analysis of the key transformations taking place. From the employment consequences of geographical shifts of production and service sector activity resulting from 'globalisation', to the in-situ transformations of work as a result of new, profound technological developments, work and employment are seemingly being moved across space and restructured in place in increasingly challenging ways for those engaged in it. The focus of this chapter is on work and employment and it is refreshing in part because it recognises the central importance of work and employment in creating the conditions for life and livelihoods (and social reproduction) in today's economy and historically. It provides a refreshing and impressively wide-ranging survey of developments relating to work and employment around the world, with perhaps a greater focus on the advanced capitalist and OECD economies.

I would highlight three key contributions that the chapter makes. First, it seeks to demonstrate and understand the changing worlds of work and how these changes in the worlds of work relate to fundamental shifts such as globalisation and technological development. With respect to technology, the chapter considers the current employment consequences of the Artificial Intelligence (AI) and Industry 4.0 revolutions, but also rightly argues that technology has been "displacing human labour" for centuries. What is therefore important is to understand how the particular challenges of

Industry 4.0 and AI create employment consequences in time and place contexts that need to be recognised in order to inform effective policy interventions. The chapter recognises that the impacts are always differentiated depending on the position that individuals have in the labour market, with senior managers seemingly largely able to adapt to the new technological challenges, while clerical and manual workers experience greater threats to employment and livelihoods.

With respect to globalisation, the analysis of the impacts of the increasing global reach of economic activity – what Peter Dicken (2015) long ago termed 'the global shift' with its attendant uneven geographical developments across time and space – accords with (although does not mention) Richard Freeman's (2006) analysis of what he calls the "great doubling" in the 1980s. This involved the increase to the global supply of labour for capitalist development from 1.46m to 2.93m workers with the reform of the Chinese economy after 1979, the liberalisation of the Indian economy and the collapse of state socialist regimes in East-Central Europe in 1989 and the former Soviet Union in 1991. Almost overnight, Freeman argued, the global labour market doubled, effectively driving down the cost of labour and the return of wealth to workers as increasing labour supply enabled greater flexibility on the part of business. The focus of the IPSP report is very much on the outcomes of these processes for employment and how these are differentiated by job type, wage distribution, social group and so on. As such it provides a compelling and sobering analysis of the uneven social and geographical consequences of these two epochal shifts.

Second, the chapter focuses on the increasing diversity of forms of work. The chapter catalogues in expansive terms the shifts from full-time to part-time employment, from formal to informal or non-standard work, to the rise of self-employment especially in the Gig economy of independent contractors and freelancers, to gender differentiation in terms of wages, occupations and participation rates, to the increasing diversity of socially reproductive work – as the report so importantly reminds us "women do the majority of the unpaid household work across the world", to the rise of Temporary Work Agencies and their globalisation of short-term contracts, and to the rise of range of forms of precarious work such as zero hours contracts. We should recognise, however, as my colleague Will Monteith and others remind us, that

while informal work is the norm in many parts of the global South, it is becoming increasingly prevalent in the global North – a form of "reverse globalisation" of employment forms back to the core economies from the Global South.

Third, the chapter highlights the tensions between the increasing flexibility of work and security of employment, discrimination in the labour market, and the importance of collective bargaining (and its long-term erosion). For the authors, social progress "means a fair chance of inclusion and productive activity as well as good or better jobs for all". The policy implications of their analysis of social progress in relation to work are very important and in summary for them social progress requires:

1. Good jobs – employment free from precarity, expansion of fair employment, and creating opportunities for employee development
2. Employment policy – employment protection that avoids deeper segmentation of the workforce, unemployment protection and active labour market policies, inclusive labour markets and non-discrimination, the importance of collectively agreed standards on employment and working conditions.

So, what we get in this chapter is a very rich analysis of the diversity of work and employment conditions around the world today and how they are (largely) an impediment to "social progress". However, what we do not get is an analysis of the deeper causes of these outcomes, other than the rather "light touch" treatment of globalisation and technological change with which the chapter opens. For example, one missing link in the analysis is arguably a fundamental driving force behind many of the differentiated employment and labour standards outcomes around the work economy today which are highlighted in the analysis. This is the role that global value chains (GVCs) play in driving this work and employment differentiation (Newsome *et al* 2015; Smith *et al* 2018). The importance of GVCs in today's world is signalled by the estimate that in OECD countries more than half of imports today comprise intermediate goods, signalling that they are part of a complex assembly line spanning across geographic borders, and that three quarters of imports in China and Brazil are intermediate goods for onward processing and assembly. This world of GVCs is driven by the twin processes of globalised outsourcing and offshoring, the fragmentation of tasks across

borders (Gereffi and Lee 2012, Pickles and Smith 2016), what some (Fröbel et al 1980, Smith 2009) have referred to as the New International Division of Labour (NIDL) and others to the 'newer IDL' (Coffey 1996). Many analysts have argued that these transformations have been crucial mechanisms in the driving down of working conditions – as lead firms in GVCs seek out lower cost production locations; the so-called race to the bottom. This was highlighted in Friedman's "great doubling" thesis as lower cost production sites came "on stream" in the 1990s onwards this led to labour's share of wealth diminishing. Specifying how globalisation processes take shape in concrete forms, such as via GVC organisation and inter-firm power relations between lead and supplier firms, and how these are leading to differentiated employment outcomes is critical if the policy prescriptions seeking to do something about those conditions can most effectively target these primary causes.

Equally, the chapter is surprisingly silent on emergent and new forms of what we might call "global labour governance" (Smith *et al* 2018). There is brief mention of International Labour Organisation initiatives and transnational corporation Corporate Social Responsibility (CSR) programmes, as well as brief mention of international framework agreements, but the report misses the recent emergence of new forms of other global labour governance in the shape of labour provisions in free trade agreements (Campling *et al* 2016, Smith *et al* 2018), public procurement (Hughes *et al* 2018), and anti-modern slavery laws. All such initiatives are recognising, albeit not necessarily at the moment successfully dealing with the limits of, private labour governance regimes such as CSR. But they do form a new and quite complex landscape of global labour governance which has some potential to challenge the consequences of globalisation pressures.

Finally, there is a tension in the chapter between focussing on employment and work outcomes as meso-level categories, and an analysis of some more fundamental and causal questions of class, gender, race and social reproduction. A focus on "labour" as a category and its classed, genderered, and racialized dimensions might help push beyond somewhat meso-level concepts such as "work and employment". This would open up questions of the causality of work and employment outcomes as the result of the interaction of the social relations of class, gender and race. Engaging more

meaningfully with the interaction of class, gender and racial inequalities, across different social groups, countries and regions, and how these interact with the balance between paid and unpaid labour in the process of social reproduction would have generated greater insights into the focus in the chapter on work and employment outcomes.[1] Equally it might open up wider consideration of the increasing commoditisation of labour. As Polanyi (1944) reminds us, labour is a fictitious commodity under capitalism because of the life of labouring bodies and the always present needs for social reproduction. Starting with such a conception might help us to rethink what it might mean to think about "good jobs for all" today.

Bibliography

Campling, L., Harrison, J., Richardson, B. and Smith, A. (2016) 'Can labour provisions work beyond the border? Evaluating the effects of EU trade agreements', *International Labour Review*, 155 (3): 357-382.

Coffey, W. (1996) 'The 'newer' international division of labour', in Daniels, P. and Lever, W. (eds.) *The global economy in transition*. Harlow: Longman.

Dicken, P. (2015) *Global Shift*, London: Sage.

Freeman, R. (2006) 'The great doubling: the challenge of the new global labor market'. Available at: htttps://eml.berkeley.edu/~webfac/eichengreen/e183_sp07/great_doub.pdf. Last accessed 10/06/19.

Fröbel, F., Heinrichs, J. and Kreye, O. (1980) *The new international division of labour*. Cambridge: Cambridge University Press.

Gereffi, G. and Lee, J. (2010) 'Why the world suddenly cares about global cupply chains', *Journal of Supply Chain Management*, 48 (3): 24-32.

Hughes, A., Morrison, E. and Ruwanpura, K. (2018) 'Public sector procurement and ethical trade: governance and social responsibility in some hidden global supply chain', *Transactions of the Institute of British Geographers*, DOI: 10.1111/tran.12274.

[1] I am grateful to the anonymous review for helping clarify this point.

Newsome, K., Taylor, P., Bair, J., Rainnie, A. (eds) (2015) *Putting Labour in its Place*, London: Palgrave.

Pickles, J. and Smith, A. (with Begg, B., Buček, M., Roukova, P. and Pástor, R.) (2016) *Articulations of Capital: Global Production Networks and Regional Transformations*, Oxford: Wiley-Blackwell.

Polanyi, K. (1944) *The Great Transformation*, Beacon Books: Cambridge, MA.

Smith, A. (2009) 'Spatial division of labor', in Kitchin, R., and Thrift, N. (eds) *International Encyclopedia of Human Geography*, Volume 10, pp. 348-354. Oxford: Elsevier.

Smith, A., Barbu, M., Campling, L., Harrison, J. and Richardson, B. (2018) 'Labor regimes, global production networks, and European Union trade policy: labor standards and export production in the Moldovan clothing industry', *Economic Geography*, 94 (5): 550-574.